

March 30, 2004

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Subject: Complaint filed against Voters Want More Choices, PDC Case No. 04-443;
Help Us Help Taxpayers, PDC Case No. 04-444, and Tim Eyman

Dear Gentlemen:

The Public Disclosure Commission staff has reviewed your complaint filed on March 17, 2004, alleging that the Voters Want More Choices, Help Us Help Taxpayers, and Tim Eyman violated RCW 42.17. Your complaint was reviewed in light of the following statutes:

RCW 42.17.020 defines political committee as any person having the expectation of receiving contributions or making expenditures to support or oppose a ballot proposition.

RCW 42.17.040 requires political committees that solicit or accept contributions to support or oppose candidates or ballot propositions to register with the PDC.

RCW 42.17.080 and .090 requires political committees to file frequent and detailed reports of contribution and expenditure activities.

You alleged that Tim Eyman failed to register a political committee supporting Initiative 885 within 14 days after he expected to receive or spend money on the campaign. We found that Mr. Eyman filed a C1-pc for Just Treat Us The Same committee on March 15, 2004.

You alleged that Voters Want More Choices (VWMC) violated RCW 42.17.080 and .090 by failing to report detailed contributor information, and that Help Us Help Taxpayers

(HUHT) also violated RCW 42.17.080 and .090 by failing to report detailed contributor information. We found that:

- VWMC is the political committee supporting Initiative 864, a statewide ballot proposition regarding property taxes. HUHT is a political committee that is reporting “compensation payments” made to the principals of VWMC.
- In January of 2004, Tim Eyman contacted PDC staff and stated that the data-entry person hired to input contributor information for VWMC and HUHT was ill, and the committees would not be able to report that information by the February 10, 2004 deadline. Mr. Eyman requested an extension for filing the January contributor information on Monetary Contributions Reports (PDC Form C-3), and staff informed Mr. Eyman that an extension or modification could not be granted. PDC staff suggested to Mr. Eyman that he disclose his circumstances in a memorandum to file, and any other information that he could provide at that time.
- After conversations with PDC staff, Mr. Eyman stated that he believed PDC staff had approved his request for an extension. As a result of those conversations, Mr. Eyman submitted a memorandum on February 10, 2004 for the files of both VWMC and HUHT. The memo explained that the data-entry person for the committees was ill and unable to input the required contributor information, and that the information would be provided on March 10, 2004.
- On February 10, 2004, VWMC and HUHT timely filed Summary, Full Report Receipts and Expenditures reports (PDC Form C-4) with an attached Schedule A disclosing bank deposit and expenditure information for the month of January. The January C-4 report for VWMC disclosed \$32,568 in contributions received, and expenditures made totaling \$12,380. The January C-4 report for HUHT disclosed \$5,820 in contributions received and expenditures made totaling \$28,771.
- VWMC and HUHT provided no detailed information for contributions received in January. The names and addresses, aggregate totals given, or employer and occupation of contributors, if necessary, were not reported. However, VWMC and HUHT did provide a deposit summary for January’s activities that included the number of donors per deposit.
- On March 10, 2004, Mr. Eyman submitted an additional memorandum for the files of both VWMC and HUHT. The memo described that the data-entry person was still ill and had only recently been released from the hospital, later than they had anticipated. The memo stated that the C-3 contributor information would be provided as soon as their data-entry operator was able, and that they expected to provide that information on April 10, 2004.

- Also on March 10, 2004, VWMC and HUHT timely filed C-4 reports disclosing bank deposit and expenditure information for the month of February 2004. The February C-4 report for VWMC disclosed \$48,763 in new contributions received, and expenditures made totaling \$51,367. The February C-4 report for HUHT disclosed \$1,407 in contributions received, and expenditures made totaling \$14.
- VWMC and HUHT provided no detailed information for contributions received in February. The names and addresses, aggregate totals given, or employer and occupation of contributors, if necessary, were not reported. VWMC and HUHT did provide a deposit summary for February's activities that included the number of donors per deposit.
- On March 20, 2004, VWMC filed 10 C-3 reports totaling \$34,841, disclosing the contributor information received for contributions received in January. The details pertaining to the \$34,841 was reported 40 days late. It appears that contributions were originally attributed to the wrong month, so the amended C-4 for January included an additional \$2,274 in contributions. On March 21, 2004, VWMC filed 10 C-3 reports totaling \$46,482 disclosing the contributor information received for contributions received in February of 2004. The details pertaining to the \$46,482 were reported 11 days late. Contributions for February were also originally attributed to the wrong month, so the amended C-4 for February includes a reduction in contributions of \$2,281.
- On March 19, 2004, HUHT filed four C-3 reports totaling \$5,820 disclosing the contributor information received for contributions received in January. The details pertaining to the \$5,820 were reported 39 days late. On March 21, 2004, HUHT filed four C-3 reports totaling \$1,405 disclosing the contributor information received for contributions received in February. The details pertaining to the \$1,405 were reported 11 days late.

A political committee registered with the PDC under the full reporting option is required to timely file detailed reports of contribution and expenditure activities undertaken by the committee. VWMC and HUHT did not timely disclose the details of monetary contributions received during the months of January and February of 2004. A PDC staff review of VWMC indicated that they timely filed C-3 and C-4 reports for all of calendar year 2003. In addition, HUHT timely filed C-3 and C-4 reports for the period covering July 1 through December 31, 2003.

The VWMC disclosed \$46,488 in detailed contributor information 11 days late, and \$34,843 40 days late. The information was available for public review more than three months before the signatures were required to be turned in for a 2004 statewide ballot proposition, and more than seven months prior to the 2004 general election.

We do not condone late filings or late reporting of campaign-related activities. However, because of extenuating circumstances involving the illness of the committees' data-entry operator (confirmed by PDC staff), the fact that certain information was reported only 11 days late, the misunderstanding by Mr. Eyman that his request for an extension had been approved, the filing history of both committees, and because all information was submitted well in advance of the due date to turn in signatures and the date of the 2004 general election, no enforcement action against Voters Want More Choices and Help Us Help Taxpayers is warranted.

Although we determined that the late reporting of contributor information did not warrant enforcement action, VWMC, HUHT and Tim Eyman will be cautioned to comply with all provisions of the disclosure law in future campaigns, including the timely disclosure of contributor information. This action is consistent with previous action taken by Commission staff and the chair in dealing with similar complaints.

After a careful review of the alleged violations and relevant facts, and with the concurrence of the Chair of the Public Disclosure Commission, I am dismissing your complaint against the Voters Want More Choices, Help Us Help Taxpayers, and Tim Eyman.

If you have questions, please contact Phil Stutzman, Director of Compliance, at (360) 664-8853 or toll free at 1-877-601-2828.

Sincerely,

Vicki Rippie
Executive Director

c: Voters Want More Choices
Help Us Help Taxpayers
Tim Eyman